



Dedicated to Enhancing ANC Board Effectiveness

THE BOARD EFFECTIVENESS AUDIT™

The board of directors of an Alaska Native Corporation serves as trustee of the corporation's assets. This involves protecting and safeguarding the company's resources on behalf of its shareholders, creditors, suppliers and others having a vested interest in the company's progress and long term viability. Effective and active board leadership is required to fulfill its trustee function. Our **Board Effectiveness Audit™** arms the board with a valuable tool it can use to effectively perform its leadership role to ensure company success, shareholder employment, and payment of shareholder dividends.

A board that effectively performs its leadership role must actively engage in a combination of board procedures, ethics, and leadership practices in partnering and working with management to achieve the company's strategic and financial objectives. Effective and efficient board leadership practices (e.g. communications, the board's group and board/CEO dynamics, strategic planning, information flow, risk management, business ethics, and so forth) are critical for success. These and other board leadership practices are integral components of our **Board Effectiveness Audit™**.

Our audit is conducted by a team of corporate governance experts. The approach we use (**drawing on the analogy of preventive medicine**) combines the benefits of a medical checkup, healthy diet and regular exercise program. It identifies issues/concerns/problems at an early treatable stage, before irreparable harm befalls a board, management, and the company. It also helps ensure that a board receives the essential vitamins and nutrients – **information** – needed to make critical business decisions, without ingesting excess calories and fat – **extraneous** information – that can diminish decision-making efficiency. And it establishes a regimen that both maintains a board's leadership fitness and challenges a board to continuously improve. Investing in a board effectiveness audit is another means to fulfill the board's trustee and leadership functions in optimizing its contribution to the company's success and long term viability.

The components of our confidential **Board Effectiveness Audit™** are listed below. For more information, please contact us at:

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Board Effectiveness Audit[™]

Components

- I. Decision Making Practices**
- II. Shareholder Relationship and Communication Practices**
- III. Conflict Resolution Practices**
- IV. Risk Management/Oversight Practices**
- V. Human Resource Oversight Practices**
- VI. Executive and Board Compensation Practices**
- VII. Financial Oversight Practices**
- VIII. Capital Investment Oversight Practices**
- IX. Acquisition/Divestiture Oversight Practices**
- X. Strategic Planning Practices**
- XI. Fiduciary and Confidentiality Practices**
- XII. Board Operation Practices**
 - a. Policies & Procedures**
 - b. Committees**
 - c. Meeting Agenda, Information, and Conduct Practices (Board, Shareholder, Committee)**
- XIII. Integrity, Ethics, and Corporate Social Responsibility Practices**
- XIV. Leadership and Board Development Practices**
 - a. Board Accountability, Independence, and Objectivity**
 - b. Commitment, Competency and Training**
 - c. Transparency**
 - d. Fulfillment of Duties (Effectively & Efficiently)**
 - e. CEO/Board Interaction & Dynamics, Effectiveness, and Performance Oversight Practices**